

Notes payable and commercial bank financing consisted of the following as of December 31, 1992 and 1993 (in thousands):

	<u>1992</u>	<u>1993</u>
Senior subordinated notes, interest at 10%	\$ -	\$200,000
Secured debt facility payable to a commercial bank, interest ranging among various base rates plus certain percentages above the base rate	71,333	-
Secured revolving credit facility payable to a commercial bank, interest ranging among various base rates plus certain percentages above the base rate	13,000	-
Mortgages payable to various financial institutions, interest ranging from 12% to 15%	448	389
Unsecured installment notes to former minority stockholders of CRI and WBFF, interest ranging from 7% to 18%	<u>4,231</u>	<u>3,533</u>
	89,012	203,922
Less - Unamortized debt discount	<u>(8,900)</u>	-
	80,112	203,922
Senior subordinated notes to be redeemed	-	(100,000)
Remaining current portion	<u>(10,734)</u>	<u>(869)</u>
	<u>\$ 69,378</u>	<u>\$103,053</u>

Notes payable, as of December 31, 1993, mature as follows (in thousands):

1994	\$100,869
1995	1,038
1996	1,160
1997	655
1998	12
1999 and thereafter	<u>100,188</u>
	<u>\$203,922</u>

Substantially all of the Companies' assets have been pledged as security for notes payable and commercial bank financing. In addition, the stockholders have pledged their stock in SBG to the commercial bank and have delivered mortgages and security agreements, as well as the \$6,000,000 note received from the sale of WPTT as described in Note 8 (held by former SBG majority stockholders effective March 1, 1993), as additional collateral. Further, Cunningham Communications, Inc. (Cunningham), Keyser Investment Group, Inc. (Keyser), and Gerstell Development Limited Partnership (Gerstell), all businesses that are owned and controlled by the stockholders, were required to guarantee obligations to the commercial bank. Cunningham, Keyser, and Gerstell are landlords of the Company's operating subsidiaries. The guarantees of Cunningham, Keyser, and Gerstell are secured by pledges of substantially all of the assets of each corporation.

The unsecured installment notes payable to former minority stockholders are payable in semiannual payments of \$702,000 through 1997. Should SBG exercise the right to prepay the notes, a prepayment penalty not to exceed \$940,000 also becomes due to the noteholders.

4. NOTES AND CAPITAL LEASES PAYABLE TO AFFILIATES:

Notes and capital leases payable to affiliates, resulting from the transactions described in Notes 1, 8 and 11, consisted of the following as of December 31, 1992 and 1993 (in thousands):

	<u>1992</u>	<u>1993</u>
Subordinated installment notes payable to former majority owners, interest at 8.75%, principal payments in varying amounts due annually beginning October 1991, with a balloon payment due at maturity in May 2005	\$13,117	\$13,068
Capital lease for building, interest at 17.5%	1,689	1,652
Capital leases for broadcasting tower facilities, interest rates averaging 10%.....	1,476	1,240
Capital leases for building and tower, interest at 8.25%.....	-	<u>2,822</u>
	16,282	18,782
Current portion	<u>(320)</u>	<u>(1,197)</u>
	<u>\$15,962</u>	<u>\$17,585</u>

Notes and capital leases payable to affiliates, as of December 31, 1993, mature as follows (in thousands):

1994.....	\$ 1,816
1995.....	1,872
1996.....	1,932
1997.....	1,455
1998.....	1,257
1999 and thereafter.....	<u>13,100</u>
Total minimum payments due	21,432
Less-Amount representing interest on leases.....	<u>(2,650)</u>
	<u>\$18,782</u>

5. PROGRAM CONTRACTS PAYABLE:

Future payments required under program contracts payable as of December 31, 1993, are as follows (in thousands):

1994.....	\$11,858
1995.....	5,504
1996.....	1,381
1997.....	313
1998.....	30
1999 and thereafter.....	<u>4</u>
	19,090
Less-Current portion.....	<u>(11,858)</u>
Long-term portion of program contracts payable	<u>\$ 7,232</u>

Included in the 1994 amounts are payments due in arrears of \$2,138,000. In addition, the Companies have entered into noncancelable commitments for future program rights aggregating \$20,398,000 as of December 31, 1993. As is consistent with prior years, program contracts payable and the assets related to these commitments have not been recognized in the accompanying consolidated financial statements as all of the conditions specified in the related license agreements have not been met.

The Company has estimated the fair value of these program contract payables and commitments at approximately \$30,280,000 as of December 31, 1992, and \$32,458,000 as of December 31, 1993, based on future cash flows discounted at the Company's current borrowing rate.

6. LOANS TO OFFICERS AND AFFILIATES:

On September 30, 1990, SBC sold Channel 63, Inc. (WLIB) to certain SBC stockholders. The proceeds of this sale of \$1,500,000 consisted of a note which was amended and restated on June 30, 1992. The remaining principal balance at that date was approximately \$1,459,000 and is payable in equal principal and interest installments of \$16,000 until September 2000, on which date a balloon payment of approximately \$431,000 is due. The note earns 6.88% annual interest.

During 1992, a \$900,000 note was received from the SBC stockholders, and during 1993 a \$6,359,000 note was received from a former majority owner in the transactions described in Note 8.

Also during the years ended December 31, 1992 and 1993, the Companies loaned the SBC stockholders an additional \$830,000 and \$2,344,000, respectively. The 1992 and 1993 advances included \$163,000 and \$145,000 of accrued interest. The 1993 advance includes the \$2,100,000 note from Gerstell Development Limited Partnership discussed in Note 8. The loans are payable to SBC, have various due dates, and earn interest at rates ranging from prime plus 1% to 7.9%.

In September 1993, several officers repaid \$666,000 of loans which had been made to them by the Company. These loans had been included in loans to officers and affiliates.

During 1990, WBFF sold certain station equipment to an affiliate for \$512,000. The sale is accounted for on an installment basis since the affiliate is in the start-up phase. The note is to be paid over five years and earns annual interest at 11%. In connection with the start-up of this affiliate, certain SBC stockholders issued a note allowing them to borrow up to \$3 million from the Company. This note is accruing interest at prime plus 1% and requires quarterly principal repayments of the remaining balance over six years beginning March 31, 1994. As of December 31, 1992 and 1993, the balance outstanding was approximately \$2,422,000 and \$2,582,000, respectively.

7. INCOME TAXES:

SBC, including its consolidated subsidiaries, files consolidated federal income tax returns and separate company state tax returns.

In February 1992, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes". In 1992, the Company retroactively adopted the new accounting and disclosure rules effective January 1, 1990, resulting in an increase in net income of \$390,000 and \$291,000 in the years ended December 31, 1991 and 1992, respectively, from what would have been reported under the previous method.

The provision (benefit) for income taxes consists of the following as of December 31, 1991, 1992 and 1993 (in thousands):

	<u>1991</u>	<u>1992</u>	<u>1993</u>
Provision (benefit) for income taxes before extraordinary items	\$ (1,580)	\$ (1,189)	\$ 960
Income tax effect of extraordinary items	<u>—</u>	<u>—</u>	<u>(2,900)</u>
	<u>\$ (1,580)</u>	<u>\$ (1,189)</u>	<u>\$ (1,940)</u>
Current:			
Federal	\$ (392)	\$ (858)	\$ 2,255
State	<u>(42)</u>	<u>275</u>	<u>855</u>
	<u>(434)</u>	<u>(583)</u>	<u>3,110</u>
Deferred:			
Federal	(988)	(573)	(4,102)
State	<u>(158)</u>	<u>(33)</u>	<u>(948)</u>
	<u>(1,146)</u>	<u>(606)</u>	<u>(5,050)</u>
	<u>\$ (1,580)</u>	<u>\$ (1,189)</u>	<u>\$ (1,940)</u>

The following is a reconciliation of the statutory federal income taxes to the recorded provision (benefit). (in thousands):

	<u>1991</u>	<u>1992</u>	<u>1993</u>
Statutory federal income taxes	\$ (2,122)	\$ (2,203)	\$ (3,533)
Adjustments-			
State income taxes, net of federal effect	(119)	160	530
Goodwill amortization	430	484	325
Nontaxable gain on life insurance proceeds	—	—	(337)
Nontaxable gain on sale of warrants	—	—	(427)
Additional taxable income to be recognized in prior year returns	—	—	950
Not-to-compete agreement	131	131	131
Other	<u>100</u>	<u>239</u>	<u>421</u>
Benefit for income taxes	<u>\$ (1,580)</u>	<u>\$ (1,189)</u>	<u>\$ (1,940)</u>

During the year ended December 31, 1993, the Company generated taxable losses of approximately \$6,900,000. However, as permitted by the Internal Revenue Service, the Company has elected to amortize all intangibles acquired after July 1991 over 15 years and has retroactively restated tax amortization related to the WPGH acquisition. This restatement will cause additional taxable income to be recognized in the Company's amended 1991 and 1992 tax returns (which will be partially offset by 1993 taxable losses and prior year unutilized tax credits). Previously unrecognized tax benefits of \$3,797,000 were generated related to deductible acquired intangibles considered nondeductible prior to the election.

The Company has recorded current payables of \$755,000 as a result of liabilities generated for prior years by the reduced tax amortization. After affecting for these changes, the Company had deferred tax assets of \$4,300,000 as of December 31, 1993. Management believes that this net deferred asset will be realized through future operating results based on 1993's actual operating profits and its projection of future years' results.

The Company has no net operating losses available for carryforward as of December 31, 1993.

Temporary differences between the financial reporting carrying amounts and the tax basis of assets and liabilities give rise to deferred taxes. The principal sources of temporary differences and their effects on the provision (benefit) for deferred income taxes are as follows as of December 31, 1991, 1992 and 1993. (in thousands):

	<u>1991</u>	<u>1992</u>	<u>1993</u>
Program contract amortization and net realizable value adjustments	\$(644)	\$(853)	\$ (628)
Depreciation and amortization	169	(220)	(868)
Bad debt reserves	14	(37)	(13)
Tax credit carryforwards used (generated)	-	(450)	385
Capital lease accounting	66	100	142
Deferred gain recognition	34	34	34
Deferred commission recognition	(280)	89	89
Acquired intangibles amortization	-	-	(3,107)
Loss on planned redemption of senior subordinated notes	-	-	(419)
Other	(505)	731	(65)
Decrease in valuation reserve	-	-	(600)
	<u>\$(1,146)</u>	<u>\$(606)</u>	<u>\$(5,050)</u>

Total deferred tax assets and deferred tax liabilities as of December 31, 1992 and 1993, and the sources of the difference between financial accounting and tax bases of the Company's assets and liabilities which give rise to the deferred tax assets and deferred tax liabilities and the tax effects of each are as follows (in thousands):

	<u>1992</u>	<u>1993</u>
Deferred Tax Assets:		
Tax credit carryforwards	\$ 450	\$ 65
Bad debt reserves	189	202
Deferred commissions	326	237
Program contracts	2,040	2,668
Acquired intangibles	-	3,107
Deferred loss on planned redemption of senior subordinated notes	-	419
Other	395	73
Valuation allowance	(600)	-
	<u>\$2,800</u>	<u>\$6,771</u>
Deferred Tax Liabilities:		
FCC license	\$1,493	\$1,401
Depreciation and amortization	1,160	292
Capital lease accounting	255	397
Other	642	381
	<u>\$3,550</u>	<u>\$2,471</u>

9. RELATED PARTY TRANSACTIONS:

Certain of the Companies have entered into sale-leaseback transactions in which they have sold certain facilities to Cunningham Communications, Inc. (Cunningham), a corporation owned by various SBG stockholders, and then leased the facilities under noncancelable capital leases which expire in 1997 and 1998. These assets collateralize certain Cunningham notes payable. Aggregate rental payments related to these capital leases during the years ended December 31, 1991, 1992 and 1993, were \$285,000, \$354,000 and \$371,000, respectively.

In August 1991, WBFF entered into a ten year capital lease at approximately \$300,000 per year for a new administrative and studio facility with Keyser, a corporation owned by the SBG stockholders.

Effective August 30, 1991, SBG sold substantially all of the assets of CRI which were primarily represented by the Pittsburgh television station, WPTT. The majority of the sales price was financed through a term note of \$6,000,000 and a \$1,000,000 subordinated convertible debenture to CRI. The debenture is convertible for up to 80% of the nonvoting capital stock of WPTT, subject to FCC approval. The term note is secured by all of the assets and outstanding stock of the newly incorporated station. The gain of \$5,233,000, net of the investment in WPTT at the sale date, was deferred until the realizability of the related notes was determined to be probable. Related to the sale of WPTT, CRI entered into lease agreements whereby the new owner of WPTT rents usage of the tower and the station building owned by CRI. The tower was subsequently sold, as discussed below.

In March 1993, CRI assigned the rights to the \$6,000,000 term note received from the sale of WPTT, plus accrued interest, to the former majority stockholders of SBG in exchange for \$50,000 in cash and a note for \$6,559,000. The new note bears interest at 7.21% and requires interest only payments through September 2001. Monthly principal payments of \$109,000 plus interest are payable beginning November 2001 until September 2006, at which time the remaining principal balance plus accrued interest, if any, is due. The deferred gain of \$4,486,000 related to the \$6,000,000 note was recognized in 1992 as the realizability from the former stockholders (to whom SBG owed \$13,117,000 as of December 31, 1992) was determined to be probable. This amount was recognized as additional paid-in capital due to the related party nature of the transaction. The new note is included in loans to officers and affiliates in the accompanying balance sheets.

During 1992, the \$1,000,000 subordinated convertible debenture received from the sale of WPTT was assigned to SBG's current stockholders in exchange for \$100,000 in cash and a \$900,000 note which bears interest at 7.9%. As the remaining note is due from current stockholders, the portion of the gain related to the original \$1,000,000 debenture is being recognized as a capital contribution as cash is received. For the years ended December 31, 1992 and 1993, \$90,000 and \$48,000, respectively, were recognized as additional paid-in capital.

In conjunction with the WPTT transaction, on August 30, 1991, CRI purchased substantially all of the assets of another Pittsburgh television station, WPGH. The results of operations of WPTT through August 30, 1991 and the results of operations of WPGH from August 30, 1991 through December 31, 1992 are included in the accompanying consolidated financial statements. CRI paid \$55,000,000 for WPGH which included approximately \$11,656,000 for property and programming costs and \$9,993,000 of acquired intangible broadcasting assets. A deferred tax liability and corresponding additional goodwill of \$1,950,000 was also recorded due to differences between the book and tax basis of the acquired assets. The remainder was allocated to other intangible assets based upon an independent appraisal and is being amortized over periods ranging from 3 to 25 years.

In January 1992, WPGH entered into a management agreement with Keyser Communications, Inc. (KCI), an affiliated company owned by the stockholders of the Company, whereby WPGH places on WPTT certain of WPGH's excess programming on behalf of KCI. Program contracts deemed to have no value to WPGH were utilized under this arrangement during 1992 and 1993. Amortized cost and net book value as of the beginning of the year for these contracts were approximately \$1,460,000 and \$1,200,000 in 1992 and \$935,000 and \$220,000 in 1993, respectively. In consideration for this programming, WPGH earns a 10% commission on all net revenues generated for this and other programming plus the promotional use of any unsold inventory on WPTT. Any out-of-pocket expenses are reimbursed by KCI, although WPGH does pay for commissions earned on the sales. Commissions and reimbursements, net of commissions paid, of approximately \$112,000 in 1992 and \$120,000 in 1993, and promotional commercial inventory valued at approximately \$40,000 in 1992 and \$26,000 in 1993, were received under this arrangement.

In September 1993, the Company entered into sale-leaseback transactions in which they sold certain facilities to Gerstell Development Limited Partnership (Gerstell), an entity wholly-owned by the SBC stockholders, for \$2,200,000. WPGH then leased many of the assets sold under noncancelable capital leases, with initial terms of seven years and four seven year renewal options. Aggregate rental payments under these leases were \$120,000 in 1993. Gerstell financed the acquisition partly through a \$2,100,000 note issued to the Company. The note bears interest at 6.18%, with principal payments beginning on November 1, 1994, and a final maturity date of October 1, 2013. In addition, Gerstell has arranged for a \$2,000,000 loan from a commercial bank, which is guaranteed by the Company.

Pursuant to a second agreement, Gerstell purchased the tower leased to WPTT from SBC for \$115,000 in cash.

In conjunction with the transactions discussed above, the Company sold off certain rental contracts related to the property sold to Gerstell. After considering these sales, the Company recognized no gain or loss on the transactions.

9. EMPLOYEE BENEFIT PLAN:

The Sinclair Broadcast Group, Inc. 401(k) profit sharing plan and trust (the SBC Plan) covers eligible employees of each of the Companies. Contributions made to the SBC Plan include an employee elected salary reduction amount, company matching contributions and a discretionary amount determined each year by the Board of Directors. The Company's 401(k) expense for the years ended December 31, 1991, 1992 and 1993, were \$79,000, \$109,000 and \$148,000, respectively. There were no discretionary contributions during these periods.

10. CONTINGENCIES AND OTHER COMMITMENTS:

Litigation

Lawsuits and claims are filed against the Companies from time to time in the ordinary course of business. These actions are in various preliminary stages, and no judgments or decisions have been rendered by hearing boards or courts. Management, after reviewing developments to date with legal counsel, is of the opinion that the outcome of such matters will not have a material adverse effect on the Companies' financial position or results of operations.

Operating Leases

The Companies have entered into operating leases for certain automotive and office equipment, a parcel of land and WTTE's broadcasting tower facility under terms ranging from three to ten years. The rent expense under these leases, as well as certain leases under month-to-month arrangements, for the years ended December 31, 1991, 1992 and 1993, aggregated approximately \$268,000, \$239,000 and \$373,000, respectively. Future minimum payments under the leases are as follows (in thousands):

1994	\$283
1995	50
1996	37
1997	37
1998	37
1999 and thereafter.....	<u>74</u>
	<u>\$518</u>

11. TRANSACTIONS WITH FORMER OFFICERS:

In December 1986, the Companies entered into certain not-to-compete agreements with a former officer in the aggregate amount of \$345,000 per year. The agreements ended May 1993.

On January 1, 1988, the Companies issued a note payable to another former officer in the amount of \$4,000,000 in consideration of a stock redemption. This note payable matured and was repaid in February 1992, along with interest due in arrears for this note.

Also during 1990, the Companies paid \$5,979,000 to this former officer in consideration of a stock redemption and extensions of the existing not-to-compete and consulting agreements through 1993. As this transaction was a final redemption related to a step acquisition which began in 1986, this redemption was also accounted for under the purchase method of accounting. As such, the agreement resulted in additional recorded acquired intangible broadcasting assets of \$1,242,000 and other assets of \$4,800,000 in the Companies' 1990 financial statements.

On January 1, 1988, the former officer also loaned the Companies \$363,000, through a term promissory note. This note also matured February 1992. Interest on these notes accrued at 5.5% per annum to be paid annually. Additional interest of 10.5% per annum, on the unpaid principal balance, was paid at maturity along with the entire principal portion.

Additionally, the Companies entered into various consulting and not-to-compete agreements with this former officer and a related consulting company. Under these agreements, annual consulting fees, which were guaranteed by CRI and WBFF, of \$563,000 and aggregate not-to-compete payments totaling \$2,657,000 were payable through 1991. Payments under these agreements were \$2,157,000 and \$2,512,000 during 1991 and 1992, respectively, with the final payment made in February 1992.

The expense under these agreements is being recorded on a straight-line basis over the life of the agreements and is recorded in the Companies' consolidated statements of operations within the respective expense classifications to which they relate. Expenses recorded in excess of cash payments are recorded as accrued liabilities. Expenses recorded under these agreements were \$2,525,000 and in both 1991 and 1992 and \$2,400,000 in 1993.

Subsequent to December 31, 1993, the Company signed a two year consulting agreement with the same former officer and a related consulting company. Under this agreement, the Company paid \$742,500 for services to be provided during 1994 and 1995.

12. LIFE INSURANCE PROCEEDS:

In May 1993, the Company received life insurance proceeds in excess of the carrying value of the related policies of approximately \$844,000. This nontaxable gain has been recorded as other income.

13. ACQUISITION OF WPGH:

The unaudited pro forma summary consolidated results of operations for the year ended December 31, 1991, assuming the acquisition of WPGH and the sale of WPTT had occurred on January 1, 1991, is as follows (in thousands):

	<u>1991</u> (Unaudited)
Revenues, net	\$56,547
Operating expense, net of depreciation and amortization	30,168
Depreciation and amortization	23,327
Other expenses, net	14,311
Benefit for income taxes	<u>(3,300)</u>
Net loss	<u>\$(7,959)</u>

14. PROPOSED ACQUISITIONS:

During 1993, the Company entered into an agreement with ABRY Communications, Inc. (ABRY) to purchase two of their stations for an aggregate purchase price of approximately \$60 million, plus approximately \$56 million for covenants not-to-compete and consulting agreements in these and the Company's current markets. These two stations, both of which are Fox affiliates, are WCGV in Milwaukee, Wisconsin, and WTTO in Birmingham, Alabama.

The Company has also entered into agreements to purchase the program contracts and certain other assets of television station WNUV in Baltimore, Maryland, and WVTM in Milwaukee, Wisconsin from ABRY. These agreements are for an aggregate purchase price of approximately \$65 million. The Company will not be acquiring the FCC license and certain other related assets of either station. Management intends to enter program service agreements with the owners of WNUV and WVTM whereby the Company, in exchange for an hourly fee, will obtain the right to program and sell advertising on substantially all of these stations' inventory of broadcast time. All of these acquisitions were conditioned on the consummation of ABRY's sale of the remaining assets of WNUV and WVTM to Glencairn Ltd (Glencairn).

A standby letter of credit has been issued in the amount of \$6.25 million and placed with an escrow agent to hold for the ABRY acquisitions. Restrictions against the Company's revolving line of credit in that amount are in place as long as the letter of credit remains outstanding. The execution of the letter of credit is limited to specific breaches of the agreements. On May 15, 1994, the limitations on the execution of the letter of credit expire. Subsequent to this date the Company is at risk for the \$6.25 million if the Company is unable to complete the acquisitions. Management expects to be able to determine, prior to May 15, 1994, whether they will be able to close the acquisitions.

The completion of this acquisition is dependent upon Federal Communications Commission (FCC) approval. Subsequent to year-end, ABRY and Glencairn determined that approval would not be forthcoming as the transaction was originally structured and withdrew their application for transfer of the FCC license of WNUV. ABRY and the Company are in the process of discussing modifications to the acquisition agreements, including waiver of the requirement that the transaction between ABRY and Glencairn be consummated in order to complete the full transaction. Management determined that the changes were such that a mandatory special redemption of \$100 million of the Notes was required under the Indenture as described in Note 3. Management continues to pursue FCC approval of the acquisitions and expects to be able to fund the acquisitions, if approved, through borrowings from a commercial bank.

SINCLAIR BROADCAST GROUP INC. AND SUBSIDIARIES

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All schedules except those listed above are omitted as not applicable or not required or the required information is included in the financial statements or in the notes thereto.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Stockholders of
Sinclair Broadcast Group, Inc. and Subsidiaries:

We have audited in accordance with generally accepted auditing standards, the consolidated balance sheets, statements of operations, changes in stockholders' equity and cash flows of Sinclair Broadcast Group, Inc. included in this registration statement and have issued our report thereon dated March 22, 1994. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the accompanying index are the responsibility of the Company's management and are presented for purposes of complying with the Securities and Exchange Commission's rules and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

Arthur Andersen & Co.

Baltimore, Maryland,
March 22, 1994

SINCLAIR BROADCAST GROUP INC. AND SUBSIDIARIES

**AMOUNTS RECEIVABLE FROM RELATED PARTIES AND UNDERWRITERS,
PROMOTERS AND EMPLOYEES OTHER THAN RELATED PARTIES
FOR THE YEARS ENDED DECEMBER 31, 1991, 1992 AND 1993**

(in thousands)

Description	Balance at Beginning of Period	Additions	Deductions		Balance at End of Period	
			Amounts Collected	Amounts Written off	Current	NonCurrent
1991						
Bay Television, Inc.						
11%, maturing March 1995	\$ 443	\$ -	\$ 87	\$ -	\$ 97	\$ 259
Frederick Smith, David Smith, J. Duncan Smith, Robert Smith Prime plus 1%, maturing on December 31, 1999	1,570	559	-	-	-	2,129
Frederick Smith, David Smith, J. Duncan Smith, Robert Smith 10.25%, maturing September 2000	1,496	-	23	-	60	1,413
Robert Smith 7.87%, maturing September 2004	-	100	10	-	11	79
1992						
Bay Television, Inc.						
11%, maturing March 1995	356	-	97	-	100	159
Frederick Smith, David Smith, J. Duncan Smith, Robert Smith Prime plus 1%, maturing on December 31, 1999	2,129	293	-	-	-	2,422
Frederick Smith, David Smith, J. Duncan Smith, Robert Smith 6.88%, maturing September 2000	1,473	-	61	-	98	1,314
Robert Smith 7.87%, payable on demand	90	13	11	-	92	-
David Smith 7.87%, payable on demand	-	262	-	-	262	-
J. Duncan Smith 7.87%, payable on demand	-	262	-	-	262	-
Frederick Smith, David Smith, J. Duncan Smith, Robert Smith 7.9%, maturing April 2002	-	900	21	-	66	813

SINCLAIR BROADCAST GROUP, INC. AND SUBSIDIARIES

**AMOUNTS RECEIVABLE FROM RELATED PARTIES AND UNDERWRITERS,
PROMOTERS AND EMPLOYEES OTHER THAN RELATED PARTIES
FOR THE YEARS ENDED DECEMBER 31, 1991, 1992 AND 1993**

(in thousands)

Description	Balance at Beginning of Period	Additions	Deductions		Balance at End of Period	
			Amounts Collected	Amounts Written off	Current	NonCurrent
1993						
Bay Television, Inc.						
11%, maturing March 2004	\$ 259	\$ -	\$ 108	\$ -	\$ 119	\$ 32
Frederick Smith, David Smith, J. Duncan Smith, Robert Smith Prime plus 1%, maturing on December 31, 1999	2,422	160	-	-	121	2,461
Frederick Smith, David Smith, J. Duncan Smith, Robert Smith 6.88%, maturing September 2000	1,412	-	104	-	108	1,200
Robert Smith 7.87%, payable on demand	92	40	132	-	-	-
David Smith 7.87%, payable on demand	262	5	267	-	-	-
J. Duncan Smith 7.87%, payable on demand	262	5	267	-	-	-
Frederick Smith, David Smith, J. Duncan Smith, Robert Smith 7.9%, maturing April 2002	879	-	65	-	-	814
Julian and Carolyn Smith, 7.21%, maturing September 2006	-	6,599	-	-	-	6,599
Gerstell Development Limited Partnership, 6.18%, principal payments due from November 1994 to October 2013	-	2,100	-	-	-	2,100
Various short-term receivables	-	34	-	-	34	-
Receivable from underwriters	-	1,000	-	-	1,000	-

SINCLAIR BROADCAST GROUP, INC. AND SUBSIDIARIES

INDEBTEDNESS OF AND TO RELATED PARTIES - NOT CURRENT
FOR THE YEARS ENDED DECEMBER 31, 1991, 1992 AND 1993
(in thousands)

Description	Indebtedness of				Indebtedness to			
	Balance at Beginning of Period	Additions	Deductions	Balance at End of Period	Balance at Beginning of Period	Additions	Deductions	Balance at End of Period
1991								
Julian and Carolyn Smith 8.75%, maturing May 2005.....	-	-	-	-	\$14,215	-	\$906	\$13,309
Robert Simmons From prime plus 1% to 16%, maturing February 1992.....	-	-	-	-	4,483	-	-	4,483
Cunningham Communications, Inc. 10%, maturing June 1997.....	-	-	-	-	1,834	-	162	1,672
Keyser Investment Group, Inc. 17.5%, maturing May 1994 with renewal options through August 2001	-	-	-	-	-	1,705	-	1,705
1992								
Julian and Carolyn Smith 8.75%, maturing May 2005.....	-	-	-	-	13,309	-	192	13,117
Robert Simmons From prime plus 1% to 16%, maturing February 1992.....	-	-	-	-	4,483	-	4,483	-
Cunningham Communications, Inc. 10%, maturing June 1997.....	-	-	-	-	1,672	-	196	1,476
Keyser Investment Group, Inc. 17.5%, maturing May 1994 with renewal options through August 2001	-	-	-	-	1,705	-	16	1,689
1993								
Julian and Carolyn Smith 8.75%, maturing May 2005.....	-	-	-	-	13,117	-	49	13,068
Cunningham Communications, Inc. 10%, maturing June 1997.....	-	-	-	-	1,476	-	236	1,240
Keyser Investment Group, Inc. 17.5%, maturing May 1994 with renewal options through August 2001	-	-	-	-	1,689	-	37	1,652
Gerstell Development Limited Partnership 8.25%, maturing September 2000.....	-	-	-	-	-	2,882	60	2,942

SINCLAIR BROADCAST GROUP, INC. AND SUBSIDIARIES

VALUATION AND QUALIFYING ACCOUNTS
FOR THE YEARS ENDED DECEMBER 31, 1991, 1992 AND 1993
 (in thousands)

<u>Description</u>	<u>Balance at Beginning of Period</u>	<u>Charged to Costs and Expenses</u>	<u>Charged to Other Accounts</u>	<u>Deductions</u>	<u>Balance at End of Period</u>
1991					
Allowance for doubtful accounts.....	\$414	\$707	\$ -	\$741	\$380
1992					
Allowance for doubtful accounts.....	380	320	-	228	472
1993					
Allowance for doubtful accounts.....	472	255	-	222	505

SINCLAIR BROADCAST GROUP, INC. AND SUBSIDIARIES
SUPPLEMENTARY STATEMENTS OF OPERATIONS INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 1991, 1992 AND 1993
(in thousands)

<u>Item</u>	<u>Charged to Costs and Expenses</u>		
	<u>1991</u>	<u>1992</u>	<u>1993</u>
Advertising Costs.....	\$ 1,653	\$ 1,569	\$ 1,616

ROBERT E. SMITH
2070 GEIST ROAD
GLYNDON, MD 21071

1658

9/27 1993

7-18
520 0688

PAY TO THE
ORDER OF

SBG

\$

DOLLARS



ROLAND AVENUE OFFICE 385
MARYLAND NATIONAL BANK
BALTIMORE, MARYLAND 21210

MEMO

Loan Repayment

[Signature]

⑆052000168⑆ 1658 7000594075⑈

Paid
in
full
9/27/93
Loan 1
+
Loan 2

FJS0018

Federal Communications Commission

Docket No. 93-94 Exhibit No. 40TAB19

Presented by Scuyers Howard

Disposition

Identified 9/10/94

Received _____

Rejected 9/13/94

Reporter J. McNulty

Date 9/13/94

1. The undersigned hereby certifies that the information furnished in the foregoing is true and correct to the best of his knowledge and belief.

2. The undersigned hereby certifies that the information furnished in the foregoing is true and correct to the best of his knowledge and belief.

3. The undersigned hereby certifies that the information furnished in the foregoing is true and correct to the best of his knowledge and belief.

4. The undersigned hereby certifies that the information furnished in the foregoing is true and correct to the best of his knowledge and belief.

5. The undersigned hereby certifies that the information furnished in the foregoing is true and correct to the best of his knowledge and belief.

6. The undersigned hereby certifies that the information furnished in the foregoing is true and correct to the best of his knowledge and belief.

7. The undersigned hereby certifies that the information furnished in the foregoing is true and correct to the best of his knowledge and belief.

8. The undersigned hereby certifies that the information furnished in the foregoing is true and correct to the best of his knowledge and belief.

9. The undersigned hereby certifies that the information furnished in the foregoing is true and correct to the best of his knowledge and belief.

10. The undersigned hereby certifies that the information furnished in the foregoing is true and correct to the best of his knowledge and belief.

Hodendum

R16

PROMISSORY NOTE

Date: 1/7/1991

ON DEMAND Robert E. Smith (hereinafter referred to as "Maker") promises to pay to the order of The Sinclair Broadcast Group Inc. (hereinafter referred to as the "Holder"), at such place as the Holder of this Note may from time to time designate, the sum of One Hundred Thousand Dollars (\$100,000.00), pursuant to the provisions hereof, to the Holder of this note by the undersigned upon demand, at which time all accrued and unpaid principal, and interest, which may be owed by the undersigned, pursuant to the terms of this Note, shall be absolutely due and payable.

This Note shall bear interest on the unpaid principal balance hereof from time to time until maturity at the per annum interest rate of (8.87%) per annum.

Interest will be calculated on the basis of a three hundred sixty (360) day year, applied first to the actual number of days the principal sum of any portion thereof is outstanding.

The failure of the undersigned to pay, upon demand principal or interest on this Note shall be an occurrence of default hereunder. Whenever a default occurs under this Note, Holder may immediately, at their option, (a) declare this Note to be mature, and the unpaid balance of the principal sum, together with all unpaid and accrued interest thereon, to be immediately due and payable, and (b) exercise any and all rights and remedies available to him hereunder and under applicable laws.

If this Note is placed in the hands of an attorney for collection after demand for payment has been made, the undersigned shall pay all costs and expenses of collection, including reasonable attorney's fees.

In the event this Note or any installment when due hereunder is not paid within (10) days of the date when due, whether by maturity or acceleration, the Maker authorizes the clerk or any attorney of any court of record to appear for Maker, to waive the issuance and service of process and to enter judgement by confession in favor of the Holder of this Note for the balance then due on this Note, together with court costs, interest, and attorney's fees.

Each right, power, and remedy of the Holder hereof or under any other document evidencing this indebtedness or under applicable law shall be cumulative and concurrent, and the exercise of one or more of them shall not preclude the simultaneous or latter exercise by the Holder of any or all rights, powers, or remedies. No modification, change, waiver, or amendment of this Note shall be deemed to be made by the Holder unless in writing signed by the Holder.

Federal Communications Commission

Docket No. 93-44 Exhibit No. 40 TAB 20

Presented by Scrupp Howard

Disposition { Identified 9/13/94
Received _____
Rejected 9/13/94

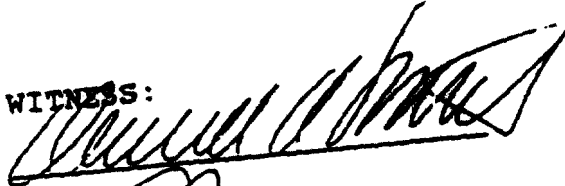
Reporter P. McNulty

Date 9/13/94

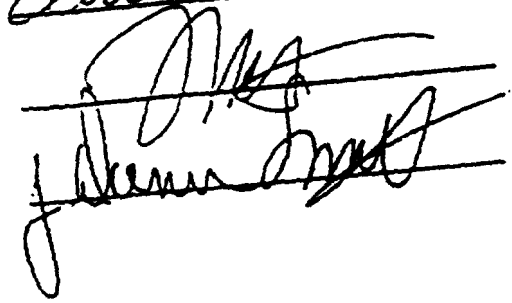
This Note shall be deemed made in and governed by the laws of the State of Maryland.

The signature of the undersigned is subscribed to this Note the day and year first above written.

WITNESS:



 (SEAL)
Robert E. Smith



Long Term AFRate / Stern Bloom 1/4/91

